

TREASURY - GENERAL

**STATE INVESTMENT COUNCIL
Repurchase Agreements**

Proposed Amendments: N.J.A.C. 17:16-33.1

Authorized By: State Investment Council, Peter A. Langerman, Director,
Division of Investment

Authority: N.J.S.A. 52:18A-91

Calendar Reference: See Summary below for explanation of exception to calendar
requirement.

Proposal Number: PRN 2004-121

Submit comments by June 4, 2004 to:

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The agency proposal follows:

Summary

The proposed amendment to N.J.A.C. 17:16-33.1 replaces the requirement that a fund seller be a securities broker on the Approved List with a requirement that the seller be a securities broker which meets the criteria for issuers of commercial paper contained in N.J.A.C. 17:16-31.

Because the Division is providing a 60-day comment period on this notice of proposal, this notice is exempt from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

There shall be no social impact from the proposed amendment. although the long term economic effects could benefit the State's taxpayers.

Economic Impact

The proposed amendments may provide an opportunity to earn greater returns as well as to broaden the diversification for the State-administered funds.

Federal Standards Statement

A Federal standards analysis is not required because the investment policy rules of the Division of Investment are under the auspices of the State Investment Council, and are not subject to any Federal requirements or standards.

Jobs Impact

The State Investment Council and the Division of Investment do not anticipate that any jobs will be generated or lost by virtue of the amendment to this rule.

Agriculture Industry Impact

The proposed amendment shall have no impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required, since the proposed amendment imposes no requirements on small businesses as the term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., but regulate only the Director of the Division of Investment.

Smart Growth Impact

The proposed amendment is not anticipated to have an impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 33. REPURCHASE AGREEMENTS

17:16-33.1 Permissible investments

(a) Subject to the limitations contained in this subchapter, the Director may invest and reinvest moneys of any fund, including the State of New Jersey Cash Management Fund, in repurchase agreements of any bank or securities broker, provided that:

1. (No change.)
2. The seller is a securities broker which:
 - i.-ii. (No change.)
 - iii. [Is currently on the "Approved List of Issuers of Commercial Paper" as permitted] **Meets the criteria for issuers of Commercial Paper as specified** under N.J.A.C. 17:16-31.
- 3.-4. (No change.)